

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia

Attachment 4.19-B

Page 1a

- c. Multiplying the proportion determined in 2.b. above by the aggregate upper payment limit amount for all such hospitals, as determined in accordance with 42 CFR §447.321 less all payments made to such hospitals other than under this section. This amount will be adjusted for TPL, beneficiary co-payments and professional physician fees.
3. Supplemental payments made under this section will be made on a quarterly basis to state owned facilities subject to final settlement.
4. A payment made to a hospital under this provision when combined with other payments made under the state plan shall not exceed the limit specified in 42 CFR § 447.321 or the limit specified at 42 USC § 1396r-4(g). Any payment otherwise payable to hospitals under this section, but for this paragraph, shall be distributed to other hospitals in accordance with proportions determined under b.2. above.

2. c. Access Payment to Private Prospective Payment System (PPS) Hospitals

For services rendered on or after July 1, 2011, the Department will provide Access Payments to enhance payments to qualified private PPS hospitals consistent with the terms of West Virginia Code §11-27-38 (Senate Bill 492).

1. General Criteria for Hospital Participation:

- (a) Must be a West Virginia licensed outpatient acute care hospital;
- (b) Must be enrolled as a West Virginia Medicaid provider;
- (c) Must be a privately owned provider consistent with 42 CFR 447.272(a)(3) and,
- (d) Must be a participant in WV Medicaid's PPS.

2. Payment Methodology:

An Access Payment Pool is established by determining each qualifying hospital's outpatient upper payment limit consistent with 42 CFR 447.371 as follows:

- (a) In determining a reasonable estimate of Medicaid cost for each hospital, a hospital specific total hospital outpatient cost to charge ratio is calculated.
- (b) The hospital specific total hospital outpatient cost to charge ratio is derived using the Medicare cost report (2552). For SFY 2012 and SFY 2013, the Hospital fiscal year end 2009 Medicare cost reports will be utilized.
- (c) Using the Medicare cost report, each hospital's specific outpatient total hospital cost to charge ratios will be derived by dividing the sum of all hospital specific outpatient costs by the sum of all hospital specific outpatient charges.

TN No: 11-004

Approval Date:

MAY 17 2012

Effective Date:

JUL - 1 2011

Supersedes: 03-02

...

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia

Attachment 4.19-B  
Page 1b

- (d) The hospital specific total hospital outpatient cost to charge ratio is then multiplied by each hospitals' Medicaid outpatient charges to calculate each hospital's outpatient Medicaid cost. Medicaid costs will be inflated by market basket rates for 2.5 years to estimate both SFY 2012 and SFY 2013 costs. All hospital specific Medicaid outpatient payments and estimated costs will be trended for 2.5 years using a factor based on utilization growth in the Medicaid program to estimate both SFY 2012 and 2013 Medicaid data. The outpatient Medicaid portion of the cost of the .88% tax will also be added to hospital specific outpatient Medicaid costs.
- (e) All hospital specific Medicaid outpatient payments, Medicaid outpatient supplemental payments, and applicable third party payments are subtracted from the hospital specific Medicaid cost to determine the upper payment limit gap for each hospital.
- (f) The sum of each hospital's upper payment limit gap will constitute the Access Payment Pool.

2. d. Access Payment to Private Prospective Payment System (PPS) Hospitals

- 1. The amount of each hospital's Access Payment will be calculated based on:
  - (a) the percentage of each hospital's Calendar Year ("CY") 2009 total outpatient Medicaid paid claim amounts to the total outpatient Medicaid paid claim amounts for all private PPS hospitals in CY 2009; and,
  - (b) multiplying each hospital's percentage defined in 2(d)(1)(a) to the total Access Payment Pool amount described in 2(c)(2)(a-f)
- 2. Each hospital will receive a quarterly Access Payment equal to one-fourth of the amount determined for each hospital in section 2(d)(1)(b).
- 3. A payment made to a hospital under this provision when combined with other payments made under the state plan shall not exceed the limit specified in 42 CFR §447.271 or the limit specified at 42 U.S.C §1396r-4(g).

2. e. Access Payment to Public Non-State Government Owned and Operated Hospitals

For services rendered on or after July 1, 2011, the Department will provide for Access Payments to qualified public non-state government owned and operated PPS hospitals up to each eligible hospital's cost of providing outpatient hospital services to Medicaid individuals.

- 1. General Criteria for Hospital Participation:
  - (a) Must be a West Virginia licensed hospital;

---

TN No: 11-004 Approval Date: MAY 17 2012 Effective Date: JUL - 1 2011  
Supersedes: New

...



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia

Attachment 4.19-B

Page 1c

- (b) Must be enrolled as a West Virginia Medicaid provider;
- (c) Must be a non-state government owned and operated provider consistent with 42 CFR 447.272(a)(2); and,
- (d) Must be a participant in WV Medicaid's PPS.

2. Payment Methodology:

The Access Payments will be calculated by determining each qualifying hospital's cost of furnishing outpatient hospital services to Medicaid individuals consistent with 42 CFR 447.371 as follows:

- (a) For each public non-State government owned and operated hospital calculate the reasonable estimate of the Medicaid cost for outpatient hospital services provided to Medicaid individuals and the amount otherwise paid for the services by the Medicaid program.
- (b) In determining a reasonable estimate of Medicaid cost for each hospital, the hospital's cost to charge ratio is derived using the Medicare cost report (2552). For SFY 2012 and SFY 2013, the Hospital fiscal year end 2009 Medicare cost reports will be utilized.
- (c) Using the Medicare cost report, hospital specific outpatient total hospital cost to charge ratios will be derived by dividing the sum of all hospital specific outpatient costs by the sum of all hospital specific outpatient charges.
- (d) The hospital specific outpatient total hospital cost to charge ratio is then multiplied by each hospitals' Medicaid outpatient charges to calculate each hospital's outpatient Medicaid cost. Medicaid costs will be inflated by market basket rates for 2.5 years to estimate both SFY 2012 and SFY 2013 costs. All hospital specific Medicaid outpatient payments and estimated costs will be trended for 2.5 years using a factor based on utilization growth in the Medicaid program to estimate both SFY 2012 and 2013 Medicaid data. The outpatient Medicaid portion of the cost of the .88% tax will also be added to hospital specific outpatient Medicaid costs.
- (e) All hospital specific Medicaid outpatient payments, Medicaid outpatient supplemental payments, and applicable third party payments are subtracted from the hospital specific Medicaid cost to determine the unreimbursed Medicaid cost for each hospital.

TN No: 11-004

Approval Date:

MAY 17 2012

Effective Date:

JUL - 1 2011

Supersedes: New

...

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia

Attachment 4.19-B

Page 1d

- 
3. All hospital specific Medicaid cost gap estimates calculated in 2(e) will be summed to equal the "aggregate non-State government owned (NSGO) UPL gap". All eligible hospitals' hospital specific Medicaid cost gap estimates calculated in 2(e) will be summed to equal the "aggregate eligible hospital gap". If the aggregate NSGO UPL gap is less than the aggregate eligible hospital gap, due to excluded hospitals already receiving payments in excess of Medicaid cost, then the total payments to eligible hospitals will be reduced to not exceed the aggregate NSGO UPL gap. If the aggregate NSGO UPL gap is negative then no payments will be made.
  4. Each eligible hospital with unreimbursed Medicaid cost will receive a payment equal to the lesser of:
    - (a) The hospital's unreimbursed Medicaid cost as calculated in 2(e); and
    - (b) The ratio of aggregate NSGO UPL gap to the aggregated eligible hospital gap multiplied by the hospital's unreimbursed Medicaid cost as calculated in 2(e).
  5. Quarterly Access Payments will be made to all eligible hospitals with unreimbursed Medicaid cost equal to one-fourth of the amount determined for each hospital in section 4.
  6. A payment made to a hospital under this provision, when combined with other payments made under the state plan, shall not exceed the limit specified in 42 CFR §447.271 or the limit specified at 42 U.S.C §1396r-4(g).

---

TN No: 11-004

Approval Date:

MAY 17 2012

Effective Date:

JUL - 1 2011

Supersedes: New

...